

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

|   |                               |  |                       |
|---|-------------------------------|--|-----------------------|
| Local Government Type<br><input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other |                               | Local Government Name<br><b>Township of Byron</b>            | County<br><b>Kent</b> |
| Audit Date<br><b>3/31/04</b>  | Opinion Date<br><b>6/4/04</b> | Date Accountant Report Submitted to State:<br><b>9/10/04</b> |                       |

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

| We have enclosed the following:   | Enclosed | To Be Forwarded | Not Required |
|---|----------|-----------------|--------------|
| The letter of comments and recommendations.                                   |          |                 | ✓            |
| Reports on individual federal financial assistance programs (program audits). |          |                 | ✓            |
| Single Audit Reports (ASLGU).   |          |                 | ✓            |

|   |  |                          |                    |
|---|--|--------------------------|--------------------|
| Certified Public Accountant (Firm Name)<br><b>Siegfried Crandall PC</b>                                     |  |                          |                    |
| Street Address<br><b>246 East Kilgore Road</b>  |  | City<br><b>Kalamazoo</b> | State<br><b>MI</b> |
|   |  | ZIP<br><b>49002-5599</b> |                    |
| Accountant Signature<br> |  | Date<br><b>9/10/04</b>   |                    |

*Township of Byron*  
*Kent County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2004*

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**INDEPENDENT AUDITORS' REPORT**

**Board of Trustees  
Township of Byron, Michigan**

We have audited the accompanying general purpose financial statements of the Township of Byron, Michigan, as of March 31, 2004, and for the year then ended, as listed in the contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include the general fixed asset account group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

In our opinion, except for effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Township of Byron, Michigan, at March 31, 2004, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information and supplementary data, as listed in the contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Byron, Michigan. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Siegfried Crandall P.C.*

June 4, 2004

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

**Township of Byron**  
**COMBINED BALANCE SHEET - all fund types**  
 March 31, 2004

|  |  | <i>Governmental fund types</i> |                        |
|--|--|--------------------------------|------------------------|
|  |  | <i>General</i>                 | <i>Special revenue</i> |
| <b>ASSETS</b>                                  |  |                                |                        |
| Cash   |  | \$ 1,221,838                   | \$ 1,444,886           |
| Investments                                    |  | 1,994,364                      | 1,518,656              |
| Receivables:                                   |  |                                |                        |
| Taxes  |  | 13,476                         | 22,034                 |
| Assessments                                    |  | -                              | -                      |
| Accounts                                       |  | -                              | -                      |
| Due from other funds                           |  | 8,509                          | 18,508                 |
| Due from other governmental units              |  | 192,134                        | 55,288                 |
| Fixed assets (net of accumulated depreciation) |  | -                              | -                      |
| <b>TOTAL ASSETS</b>                            |  | <b>\$ 3,430,321</b>            | <b>\$ 3,059,372</b>    |
| <b>LIABILITIES AND FUND EQUITY</b>             |  |                                |                        |
| <b>LIABILITIES:</b>                            |  |                                |                        |
| Accounts payable and accrued expenses          |  | \$ 72,763                      | \$ 134,686             |
| Due to other funds                             |  | 368,981                        | 1,848                  |
| Due to other governmental units                |  | -                              | 25,727                 |
| Contracts payable                              |  | -                              | -                      |
| Bonds payable                                  |  | -                              | -                      |
| <b>Total liabilities</b>                       |  | <b>441,744</b>                 | <b>162,261</b>         |
| <b>FUND EQUITY:</b>                            |  |                                |                        |
| Contributed capital                            |  | -                              | -                      |
| Retained earnings:                             |  |                                |                        |
| Unreserved:                                    |  |                                |                        |
| Designated                                     |  | -                              | -                      |
| Undesignated                                   |  | -                              | -                      |
| Fund balance:                                  |  |                                |                        |
| Reserved                                       |  | 226,326                        | -                      |
| Unreserved:                                    |  |                                |                        |
| Designated                                     |  | 100,000                        | 100,000                |
| Undesignated                                   |  | 2,662,251                      | 2,797,111              |
| <b>Total fund equity</b>                       |  | <b>2,988,577</b>               | <b>2,897,111</b>       |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b>       |  | <b>\$ 3,430,321</b>            | <b>\$ 3,059,372</b>    |

| <i>Proprietary<br/>fund type</i> | <i>Fiduciary<br/>fund type</i> | <i>Totals<br/>(memorandum only)</i> |                      |
|----------------------------------|--------------------------------|-------------------------------------|----------------------|
| <i>Enterprise</i>                | <i>Agency</i>                  | <i>2004</i>                         | <i>2003</i>          |
| \$ 1,579,254                     | \$ 103,962                     | \$ 4,349,940                        | \$ 7,581,431         |
| 4,345,513                        |                                | 7,858,533                           | 3,828,638            |
| -                                | -                              | 35,510                              | 32,364               |
| 874,302                          | -                              | 874,302                             | 1,166,677            |
| 338,749                          | -                              | 338,749                             | 352,591              |
| 350,473                          | -                              | 377,490                             | 316,690              |
| 181,363                          | -                              | 428,785                             | 565,145              |
| 52,760,307                       | -                              | 52,760,307                          | 49,743,918           |
| <u>\$ 60,429,961</u>             | <u>\$ 103,962</u>              | <u>\$ 67,023,616</u>                | <u>\$ 63,587,454</u> |
| <br>                             |                                |                                     |                      |
| \$ 242,787                       | \$ -                           | \$ 450,236                          | \$ 613,968           |
| -                                | 6,661                          | 377,490                             | 316,690              |
| 103,000                          | 97,301                         | 226,028                             | 200,876              |
| 250,049                          | -                              | 250,049                             | -                    |
| 925,000                          | -                              | 925,000                             | 925,000              |
| <u>1,520,836</u>                 | <u>103,962</u>                 | <u>2,228,803</u>                    | <u>2,056,534</u>     |
| <br>                             |                                |                                     |                      |
| 41,786,292                       | -                              | 41,786,292                          | 41,786,292           |
| <br>                             |                                |                                     |                      |
| 176,603                          | -                              | 176,603                             | 22,227               |
| 16,946,230                       | -                              | 16,946,230                          | 13,356,815           |
| -                                | -                              | 226,326                             | 197,937              |
| -                                | -                              | 200,000                             | 864,139              |
| -                                | -                              | 5,459,362                           | 5,303,510            |
| <u>58,909,125</u>                | <u>-</u>                       | <u>64,794,813</u>                   | <u>61,530,920</u>    |
| <u>\$ 60,429,961</u>             | <u>\$ 103,962</u>              | <u>\$ 67,023,616</u>                | <u>\$ 63,587,454</u> |

See notes to financial statements

**Township of Byron****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - all governmental fund types**

Year ended March 31, 2004

|   |                     |                            | <i>Totals</i><br><i>(memorandum only)</i> |                     |
|---|---------------------|----------------------------|---|---------------------|
|   | <i>General</i>      | <i>Special<br/>revenue</i> | <i>2004</i>                               | <i>2003</i>         |
| REVENUES:   |                     |                            |   |                     |
| Taxes   | \$ 486,495          | \$ 832,077                 | \$ 1,318,572                              | \$ 1,234,048        |
| State grants  | 1,253,085           | 3,303                      | 1,256,388                                 | 1,430,698           |
| Contributions from local units  | 60,000              | 43,371                     | 103,371                                   | 94,479              |
| Charges for services  | 243,004             | -                          | 243,004                                   | 221,839             |
| Fines and forfeitures   | 11,298              | -                          | 11,298                                    | -                   |
| Interest and rentals  | 63,599              | 46,595                     | 110,194                                   | 152,193             |
| Other   | 557,221             | -                          | 557,221                                   | 176,912             |
| Total revenues  | <u>2,674,702</u>    | <u>925,346</u>             | <u>3,600,048</u>                          | <u>3,310,169</u>    |
| EXPENDITURES:   |                     |                            |   |                     |
| Legislative   | 18,085              | -                          | 18,085                                    | 18,295              |
| General government  | 882,782             | -                          | 882,782                                   | 913,355             |
| Public safety   | 9,410               | 705,028                    | 714,438                                   | 886,534             |
| Public works  | 166,457             | -                          | 166,457                                   | 439,693             |
| Community and economic development  | 41,153              | -                          | 41,153                                    | -                   |
| Recreation and cultural   | 248,924             | -                          | 248,924                                   | 194,855             |
| Capital outlay  | 1,908,474           | 99,633                     | 2,008,107                                 | 1,583,621           |
| Total expenditures  | <u>3,275,285</u>    | <u>804,661</u>             | <u>4,079,946</u>                          | <u>4,036,353</u>    |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES                            | <u>(600,583)</u>    | <u>120,685</u>             | <u>(479,898)</u>                          | <u>(726,184)</u>    |
| OTHER FINANCING SOURCES (USES):   |                     |                            |   |                     |
| Operating transfers in  | 250,000             | 100,000                    | 350,000                                   | 100,000             |
| Operating transfers out   | <u>(100,000)</u>    | <u>(250,000)</u>           | <u>(350,000)</u>                          | <u>(100,000)</u>    |
| Total other financing sources (uses)  | <u>150,000</u>      | <u>(150,000)</u>           | <u>-</u>                                  | <u>-</u>            |
| DEFICIENCY OF REVENUES<br>AND OTHER SOURCES OVER<br>EXPENDITURES AND OTHER USES | <u>(450,583)</u>    | <u>(29,315)</u>            | <u>(479,898)</u>                          | <u>(726,184)</u>    |
| FUND BALANCE - BEGINNING OF YEAR  | <u>3,439,160</u>    | <u>2,926,426</u>           | <u>6,365,586</u>                          | <u>7,091,770</u>    |
| FUND BALANCE - END OF YEAR  | <u>\$ 2,988,577</u> | <u>\$ 2,897,111</u>        | <u>\$ 5,885,688</u>                       | <u>\$ 6,365,586</u> |

See notes to financial statements

**Township of Byron****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL -general and special revenue funds**

Year ended March 31, 2004

|  | <i>General</i>      |                     |   |
|--|---------------------|---------------------|---|
|  | <i>Budget</i>       | <i>Actual</i>       | <i>Variance<br/>favorable<br/>(unfavorable)</i> |
| REVENUES:  |                     |                     |   |
| Taxes  | \$ 397,400          | \$ 486,495          | \$ 89,095                                       |
| State grants   | 1,300,000           | 1,253,085           | (46,915)  |
| Contributions from local units   | 65,000              | 60,000              | (5,000)   |
| Charges for services   | 183,900             | 243,004             | 59,104  |
| Fines and forfeitures  | -                   | 11,298              | 11,298  |
| Interest and rentals   | 41,200              | 63,599              | 22,399  |
| Other  | 562,200             | 557,221             | (4,979)   |
| Total revenues   | <u>2,549,700</u>    | <u>2,674,702</u>    | <u>125,002</u>                                  |
| EXPENDITURES:  |                     |                     |   |
| Legislative  | 18,800              | 18,085              | 715   |
| General government   | 1,013,450           | 882,782             | 130,668   |
| Public safety  | 8,600               | 9,410               | (810)   |
| Public works   | 497,000             | 166,457             | 330,543   |
| Community and economic development   | 78,600              | 41,153              | 37,447  |
| Recreation and cultural  | 248,400             | 248,924             | (524)   |
| Capital outlay   | 2,044,000           | 1,908,474           | 135,526   |
| Total expenditures   | <u>3,908,850</u>    | <u>3,275,285</u>    | <u>633,565</u>                                  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES                         | <u>(1,359,150)</u>  | <u>(600,583)</u>    | <u>758,567</u>                                  |
| OTHER FINANCING SOURCES (USES):  |                     |                     |   |
| Operating transfers in   | 1,100,000           | 250,000             | (850,000)                                       |
| Operating transfers out  | <u>(100,000)</u>    | <u>(100,000)</u>    | <u>-</u>  |
| Total other financing sources (uses)   | <u>1,000,000</u>    | <u>150,000</u>      | <u>(850,000)</u>                                |
| DEFICIENCY OF REVENUES AND OTHER SOURCES<br>OVER EXPENDITURES AND OTHER USES | <u>(359,150)</u>    | <u>(450,583)</u>    | <u>(91,433)</u>                                 |
| FUND BALANCE - BEGINNING OF YEAR   | <u>3,439,160</u>    | <u>3,439,160</u>    | <u>-</u>  |
| FUND BALANCE - END OF YEAR   | <u>\$ 3,080,010</u> | <u>\$ 2,988,577</u> | <u>\$ (91,433)</u>                              |

| <i>Special revenue</i> |                     |   | <i>Totals (memorandum only)</i> |                     |   |
|------------------------|---------------------|---|---------------------------------|---------------------|---|
| <i>Budget</i>          | <i>Actual</i>       | <i>Variance<br/>favorable<br/>(unfavorable)</i> | <i>Budget</i>                   | <i>Actual</i>       | <i>Variance<br/>favorable<br/>(unfavorable)</i> |
| \$ 645,000             | \$ 832,077          | \$ 187,077                                      | \$ 1,042,400                    | \$ 1,318,572        | \$ 276,172                                      |
| 2,000                  | 3,303               | 1,303   | 1,302,000                       | 1,256,388           | (45,612)  |
| 40,000                 | 43,371              | 3,371   | 105,000                         | 103,371             | (1,629)   |
| -                      | -                   | -   | 183,900                         | 243,004             | 59,104  |
| -                      | -                   | -   | -                               | 11,298              | 11,298  |
| 34,000                 | 46,595              | 12,595  | 75,200                          | 110,194             | 34,994  |
| -                      | -                   | -   | 562,200                         | 557,221             | (4,979)   |
| <u>721,000</u>         | <u>925,346</u>      | <u>204,346</u>                                  | <u>3,270,700</u>                | <u>3,600,048</u>    | <u>329,348</u>                                  |
| -                      | -                   | -   | 18,800                          | 18,085              | 715   |
| -                      | -                   | -   | 1,013,450                       | 882,782             | 130,668   |
| 932,525                | 705,028             | 227,497   | 941,125                         | 714,438             | 226,687   |
| -                      | -                   | -   | 497,000                         | 166,457             | 330,543   |
| -                      | -                   | -   | 78,600                          | 41,153              | 37,447  |
| -                      | -                   | -   | 248,400                         | 248,924             | (524)   |
| 80,000                 | 99,633              | (19,633)  | 2,124,000                       | 2,008,107           | 115,893   |
| <u>1,012,525</u>       | <u>804,661</u>      | <u>207,864</u>                                  | <u>4,921,375</u>                | <u>4,079,946</u>    | <u>841,429</u>                                  |
| <u>(291,525)</u>       | <u>120,685</u>      | <u>412,210</u>                                  | <u>(1,650,675)</u>              | <u>(479,898)</u>    | <u>1,170,777</u>                                |
| 100,000                | 100,000             | -   | 1,200,000                       | 350,000             | (850,000)                                       |
| <u>(1,100,000)</u>     | <u>(250,000)</u>    | <u>850,000</u>                                  | <u>(1,200,000)</u>              | <u>(350,000)</u>    | <u>850,000</u>                                  |
| <u>(1,000,000)</u>     | <u>(150,000)</u>    | <u>850,000</u>                                  | <u>-</u>                        | <u>-</u>            | <u>-</u>  |
| (1,291,525)            | (29,315)            | 1,262,210                                       | (1,650,675)                     | (479,898)           | 1,170,777                                       |
| <u>2,926,426</u>       | <u>2,926,426</u>    | <u>-</u>  | <u>6,365,586</u>                | <u>6,365,586</u>    | <u>-</u>  |
| <u>\$ 1,634,901</u>    | <u>\$ 2,897,111</u> | <u>\$ 1,262,210</u>                             | <u>\$ 4,714,911</u>             | <u>\$ 5,885,688</u> | <u>\$ 1,170,777</u>                             |

See notes to financial statements

**Township of Byron****COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - *proprietary fund type****Year ended March 31, 2004*

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|  | <i>Totals</i><br><i>(memorandum only)</i> |                      |
|--|---|----------------------|
|  | <u>2004</u>                               | <u>2003</u>          |
| OPERATING REVENUES                       | \$ 2,596,348                              | \$ 2,606,074         |
| OPERATING EXPENSES                       | <u>3,395,741</u>                          | <u>3,535,257</u>     |
| OPERATING LOSS                           | <u>(799,393)</u>                          | <u>(929,183)</u>     |
| NONOPERATING REVENUES (EXPENSES):        |   |                      |
| Capital contributions - customers        | 3,899,506                                 | 11,988,895           |
| Connection fees                          | 620,690                                   | 992,059              |
| Tax increment financing                  | 184,807                                   | 189,537              |
| Interest revenues                        | 68,613                                    | 122,189              |
| Special assessment interest              | 69,317                                    | 83,163               |
| Loss on disposal of capital assets       | (171,533)                                 | -                    |
| Interest expense and fiscal charges      | (50,813)                                  | (96,063)             |
| Refund of capital contributions          | 380,652                                   | -                    |
| Contributions to other governmental unit | <u>(458,055)</u>                          | <u>(664,607)</u>     |
| Total nonoperating revenues              | <u>4,543,184</u>                          | <u>12,615,173</u>    |
| NET INCOME                               | 3,743,791                                 | 11,685,990           |
| RETAINED EARNINGS - BEGINNING OF YEAR    | <u>13,379,042</u>                         | <u>1,693,052</u>     |
| RETAINED EARNINGS - END OF YEAR          | <u>\$ 17,122,833</u>                      | <u>\$ 13,379,042</u> |

*See notes to financial statements*

**Township of Byron****COMBINED STATEMENT OF CASH FLOWS - *proprietary fund type****Year ended March 31, 2004*

|   | <i>Totals</i><br><i>(memorandum only)</i> |                     |
|---|---|---------------------|
|   | <u>2004</u>                               | <u>2003</u>         |
| Cash flows from operating activities:                                   |   |                     |
| Receipts from customers and users                                       | \$ 2,610,190                              | \$ 2,673,407        |
| Payments to suppliers   | (2,018,471)                               | (2,283,804)         |
| Payments to employees   | (263,619)                                 | (216,414)           |
| Net cash provided by operating activities                               | <u>328,100</u>                            | <u>173,189</u>      |
| Cash flows from noncapital financing activities -                       |   |                     |
| Increase in due to other funds  | <u>(76,794)</u>                           | <u>(142,675)</u>    |
| Cash flows from capital and related financing activities:               |   |                     |
| Collection of special assessment principal                              | 320,586                                   | 494,623             |
| Collection of special assessment interest                               | 69,317                                    | 83,163              |
| Connection fees   | 620,690                                   | 992,059             |
| Tax increment financing   | 184,807                                   | 189,537             |
| Capital contributions - customers                                       | 331,295                                   | -                   |
| Acquisition of capital assets   | (620,004)                                 | (1,171,184)         |
| Decrease in accounts payable  | -   | (416,794)           |
| Refund of capital contributions   | 380,652                                   | -                   |
| Contributions to other governmental unit                                | (458,055)                                 | (450,000)           |
| Principal payments on bonds   | -   | (200,000)           |
| Interest payments on bonds  | (27,813)                                  | (96,063)            |
| Net cash provided by (used in) capital and related financing activities | <u>801,475</u>                            | <u>(574,659)</u>    |
| Cash flows from investing activities:                                   |   |                     |
| Net (increase) decrease investments                                     | (2,158,993)                               | 2,624,131           |
| Interest received   | <u>68,613</u>                             | <u>122,189</u>      |
| Net cash provided by (used in) investing activities                     | <u>(2,090,380)</u>                        | <u>2,746,320</u>    |
| Net increase (decrease) in cash   | (1,037,599)                               | 2,202,175           |
| Cash - beginning of year  | <u>2,616,853</u>                          | <u>414,678</u>      |
| Cash - end of year  | <u>\$ 1,579,254</u>                       | <u>\$ 2,616,853</u> |

*See notes to financial statements*

**Township of Byron****COMBINED STATEMENT OF CASH FLOWS - *proprietary fund type (Continued)***

Year ended March 31, 2004

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|   | <i>Totals</i>            |                       |
|---|--------------------------|-----------------------|
|   | <i>(memorandum only)</i> |                       |
|   | <u>2004</u>              | <u>2003</u>           |
| Reconciliation of operating loss to net cash provided by operating activities:        |                          |                       |
| Operating loss  | \$ (799,393)             | \$ (929,183)          |
| Adjustments to reconcile operating loss to net cash provided by operating activities: |                          |                       |
| Depreciation  | 1,236,700                | 1,165,646             |
| Decrease in accounts receivable   | 13,842                   | 67,333                |
| (Increase) decrease in due from other governmental units                              | 134,823                  | (257,557)             |
| Increase (decrease) in accounts payable   | <u>(257,872)</u>         | <u>126,950</u>        |
| Net cash provided by operating activities   | <u>\$ 328,100</u>        | <u>\$ 173,189</u>     |
| Supplemental schedule of noncash capital and related financing activities:            |                          |                       |
| Total acquisition and construction of capital assets                                  | \$ (4,424,622)           | \$ (12,961,184)       |
| Less capital assets contributed by developers   | 3,540,000                | 11,790,000            |
| Increase in contracts payable   | 250,049                  | -                     |
| Increase in accounts payable  | <u>14,569</u>            | <u>-</u>              |
| Cash used   | <u>\$ (620,004)</u>      | <u>\$ (1,171,184)</u> |

See notes to financial statements

**Township of Byron**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Byron, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments, except as to the investment in general fixed assets and changes therein. The following is a summary of the more significant accounting policies:

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Township, or primary government. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

*Blended component unit:*

The Township of Byron Local Development Finance Authority is governed by a separate board appointed by the Township Board. Although it is legally separate, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct Township facilities.

*b) Basis of presentation:*

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds, categorized, and described as follows:

*(i) Governmental funds:*

General Fund - this fund is used to account for all financial resources not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes and state distributions.

Special revenue funds - these funds are used to account for specific revenues, derived primarily from property taxes, that are to be expended for specific purposes as dictated by legal, regulatory, or administrative requirements.

**Township of Byron**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

*b) Basis of presentation (continued):*

*(ii) Proprietary funds:*

Enterprise funds - these funds are comprised of the sewer, water, and building funds and are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

*(iii) Fiduciary funds:*

Agency funds - these funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*c) Basis of accounting:*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

The proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. The Township has elected to follow (1) all GASB pronouncements and (2) Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

*d) Budgets and budgetary accounting:*

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978) as prescribed by the State of Michigan.

Budgets for the general and special revenue funds are adopted at the functional level and are on a basis consistent with generally accepted accounting principles.

**Township of Byron**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*e) Receivables:*

All receivables are expected to be fully collectible as presented.

*f) Fixed assets:*

The Township has not maintained a general fixed assets account group to account for fixed assets used in its governmental operations.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

|                         |            |
|-------------------------|------------|
| Water and sewer systems | 50 years   |
| Equipment               | 5-15 years |

*g) Property tax:*

Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (with the final collection date of February 28), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 as revenue of the current year.

*h) Fund equity:*

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

*i) Totals (memorandum only):*

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made.

**Township of Byron**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 2 - CASH AND INVESTMENTS:**

A reconciliation of cash and investments to the Township's deposits and investments, as presented in the combined balance sheet, is as follows:

*Financial statements:*

|             |                  |
|-------------|------------------|
| Cash        | \$ 4,349,940     |
| Investments | <u>7,858,533</u> |

\$12,208,473

*Notes to financial statements:*

|              |              |
|--------------|--------------|
| Deposits     | \$ 4,349,840 |
| Investments  | 7,858,533    |
| Cash on hand | <u>100</u>   |

\$12,208,473

*a) Deposits:*

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2004, the Township has deposits with a carrying amount of \$4,349,840 and a bank balance of \$4,423,485. Of the bank balance, \$200,000 is covered by federal depository insurance and \$4,223,485 is uninsured.

*b) Investments:*

State statutes authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, within three highest rate classifications by at least two national rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) investment pools, such as common trust funds and mutual funds that invest in those investments allowed by state statute; and f) investment pools organized under the local government investment pool act. Not more than 50% of any fund may be invested in commercial paper.

The Township's investments consist of holdings in the Kent County Investment Pool, which are non-risk categorized investments, recorded at cost, which approximate fair value.

**Township of Byron**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES:**

The amounts of interfund receivables and payables at March 31, 2004, are as follows:

| <u>Fund</u>                                     | <u>Interfund<br/>receivables</u> | <u>Fund</u>     | <u>Interfund<br/>payables</u> |
|---|----------------------------------|-----------------|-------------------------------|
| General   | \$ <u>8,509</u>                  | Law Enforcement | \$ 1,848                      |
|   |                                  | Tax Collection  | <u>6,661</u>                  |
|   |                                  |                 | <u>8,509</u>                  |
| Fire Department<br>Operation and<br>Maintenance | <u>13,666</u>                    | General         | <u>13,666</u>                 |
| Fire Department<br>Capital Outlay               | <u>4,842</u>                     | General         | <u>4,842</u>                  |
| Inspections                                     | <u>350,473</u>                   | General         | <u>350,473</u>                |
| Totals  | <u>\$377,490</u>                 | Total           | <u>\$377,490</u>              |

**NOTE 4 - FIXED ASSETS:**

A summary of proprietary fund type fixed assets at March 31, 2004, is as follows:

|                               | <u>Enterprise funds</u> |                     |                     |
|-------------------------------|-------------------------|---------------------|---------------------|
|                               | <u>Sewer</u>            | <u>Water</u>        | <u>Totals</u>       |
| Sewer system                  | \$40,011,548            | \$ -                | \$40,011,548        |
| Water system                  | <u>-</u>                | <u>24,512,412</u>   | <u>24,512,412</u>   |
| Total cost                    | 40,011,548              | 24,512,412          | 64,523,960          |
| Less accumulated depreciation | <u>7,655,644</u>        | <u>4,108,009</u>    | <u>11,763,653</u>   |
| Net book value                | <u>\$32,355,904</u>     | <u>\$20,404,403</u> | <u>\$52,760,307</u> |

**NOTE 5 - LONG-TERM DEBT:**

Long-term debt at March 31, 2004, is comprised of the following individual issues:

Enterprise funds:

*Contracts payable:*

\$171,070 2003 sanitary sewer contract payable to  
JCB Development - payable in annual installments of  
\$17,107; final payment due September 2011 \$ 136,856

**Township of Byron**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 5 - LONG-TERM DEBT (Continued):

\$125,101 2003 sanitary sewer contract payable to  
 Byron Center Schools - payable in annual installments  
 ranging from \$12,510 to \$13,113; final payment due  
 September 2012 113,193

Total contracts payable 250,049

*Bonds payable:*

\$1,385,000 1992 local development finance  
 authority tax increment bonds - payable in  
 annual installments ranging from \$50,000 to  
 \$200,000, plus interest at 5.5% to 6.0%; final  
 payment due May 2011 925,000

Total long-term debt \$1,175,049

A summary of long-term debt transactions of the Township's enterprise funds for the year ended March 31, 2004, is as follows:

|                                     | <i>Contracts<br/>payable</i> | <i>Bonds<br/>payable</i> | <i>Total<br/>long-term<br/>debt</i> |
|-------------------------------------|------------------------------|--------------------------|-------------------------------------|
| Balance - April 1, 2003             | \$ -                         | \$ 925,000               | \$ 925,000                          |
| Issuance of contractual obligations | 296,171                      | -                        | 296,171                             |
| Retirements                         | <u>(46,122)</u>              | <u>-</u>                 | <u>(46,122)</u>                     |
| Balance - March 31, 2004            | <u>\$250,049</u>             | <u>\$ 925,000</u>        | <u>\$1,175,049</u>                  |

The annual requirements to amortize all debt outstanding at March 31, 2004, including interest of \$256,037, are as follows:

|            | <i>Enterprise<br/>funds</i> |
|------------|-----------------------------|
| 2005       | \$ 157,845                  |
| 2006       | 153,004                     |
| 2007       | 148,692                     |
| 2008       | 168,567                     |
| 2009       | 162,617                     |
| Thereafter | <u>640,361</u>              |
|            | <u>\$1,431,086</u>          |

**Township of Byron**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN:**

The Township provides pension benefits for substantially all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of employment. The Township contributes 10.5% of each qualified employee's base salary to the plan. The Township's contributions are fully vested immediately. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

The Township made the required contributions of \$55,743 for the year ended March 31, 2004.

**NOTE 7 - SEGMENT INFORMATION:**

The Township provides sewer, water, and construction code inspection services to customers that are accounted for in the enterprise funds. Segment information for the year ended March 31, 2004, is as follows:

|                         | <u>Sewer</u> | <u>Water</u> | <u>Inspections</u> | <u>Totals</u> |
|-------------------------|--------------|--------------|--------------------|---------------|
| Operating revenues      | \$ 1,093,395 | \$1,197,892  | \$ 305,061         | \$ 2,596,348  |
| Depreciation expense    | 772,431      | 464,269      | -                  | 1,236,700     |
| Operating income (loss) | (660,746)    | (215,441)    | 76,794             | (799,393)     |
| Capital contributions   | 2,029,198    | 1,870,308    | -                  | 3,899,506     |
| Net income              | 1,558,852    | 2,108,145    | 76,794             | 3,743,791     |
| Fixed asset additions   | 2,512,990    | 1,911,632    | -                  | 4,424,622     |
| Net working capital     | 3,115,063    | 3,188,809    | 350,473            | 6,654,345     |
| Total assets            | 35,975,447   | 24,104,041   | 350,473            | 60,429,961    |
| Contracts payable       | 250,049      | -            | -                  | 250,049       |
| Bonds payable           | -            | 925,000      | -                  | 925,000       |
| Total equity            | 35,527,617   | 23,031,035   | 350,473            | 58,909,125    |

**NOTE 8 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:**

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for the general and special revenue funds were adopted at the function level.

**Township of Byron**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 8 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS (Continued):**

During the year ended March 31, 2004, the Township incurred expenditures in excess of the amount appropriated. The following schedule sets forth significant budget variances:

| <u>Fund</u>                       | <u>Function</u> | <u>Total<br/>appropriation</u> | <u>Total<br/>expenditures</u> | <u>Budget<br/>variance</u> |
|-----------------------------------|-----------------|--------------------------------|-------------------------------|----------------------------|
| Fire Department<br>Capital Outlay | Capital outlay  | \$80,000                       | \$99,633                      | \$19,633                   |

**NOTE 9 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss to general liability, property and casualty, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor does it participate in a shared risk pool.

**NOTE 10 - CONSTRUCTION COMMITMENT:**

At March 31, 2004, the Township had authorized contracts in the amount of \$178,701 for the construction of a relief sewer. The Township had expended \$160,406 on the project through March 31, 2004, leaving a commitment in the amount of \$18,295. Available resources within the Sewer Fund will be used to finance this construction project.

**NOTE 11 - PRIOR PERIOD ADJUSTMENTS:**

Prior period adjustments have been recorded in 2004 that resulted in fund equity restatements. Fund equity as of April 1, 2003, included in the general purpose financial statements, represents restated balances as presented below. The following schedule identifies the nature and amount of the adjustments recorded:

|  |                          |
|--|--------------------------|
| Special revenue funds:                             | <u>Fund balance</u>      |
| Beginning of year, as previously reported          | \$ 3,046,302             |
| Prior period adjustments:                          |                          |
| Understatement of accrued payroll                  | (72,500)                 |
| Understatement of due to other governmental unit   | <u>(47,376)</u>          |
| Beginning of year, as restated                     | <u>\$ 2,926,426</u>      |
| Enterprise funds:                                  | <u>Retained earnings</u> |
| Beginning of year, as previously reported          | \$13,197,679             |
| Prior period adjustment -                          |                          |
| Understatement of due from other governmental unit | <u>181,363</u>           |
| Beginning of year, as restated                     | <u>\$13,379,042</u>      |

## **SUPPLEMENTARY INFORMATION**

**Township of Byron**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - General Fund**

Year ended March 31, 2004

|   | 2004             |                  |   | 2003             |
|---|------------------|------------------|---|------------------|
|   | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>favorable<br/>(unfavorable)</u> | <u>Actual</u>    |
| REVENUES:                                 |                  |                  |   |                  |
| Taxes:                                    |                  |                  |   |                  |
| Property taxes                            | \$ 380,000       | \$ 448,535       | \$ 68,535                                       | \$ 414,210       |
| Tax collection fees                       | 10,000           | 31,440           | 21,440  | 41,630           |
| Trailer park fees                         | 7,400            | 6,520            | (880)   | 8,709            |
| Total taxes                               | <u>397,400</u>   | <u>486,495</u>   | <u>89,095</u>                                   | <u>464,549</u>   |
| State grants:                             |                  |                  |   |                  |
| State shared revenue                      | 1,300,000        | 1,253,085        | (46,915)  | 1,355,505        |
| Clean Michigan Initiative grant           | -                | -                | -   | 72,453           |
| Total state grants                        | <u>1,300,000</u> | <u>1,253,085</u> | <u>(46,915)</u>                                 | <u>1,427,958</u> |
| Contributions from local units - landfill | <u>65,000</u>    | <u>60,000</u>    | <u>(5,000)</u>                                  | <u>60,000</u>    |
| Charges for services:                     |                  |                  |   |                  |
| Cable television                          | 92,500           | 107,317          | 14,817  | 110,717          |
| Board of appeals and zoning fees          | 20,000           | 34,752           | 14,752  | 24,964           |
| Cemetery charges                          | 30,000           | 49,344           | 19,344  | 43,682           |
| Recreation fees                           | 41,400           | 51,591           | 10,191  | 42,476           |
| Total charges for services                | <u>183,900</u>   | <u>243,004</u>   | <u>59,104</u>                                   | <u>221,839</u>   |
| Fines and forfeitures                     | <u>-</u>         | <u>11,298</u>    | <u>11,298</u>                                   | <u>-</u>         |
| Interest and rentals:                     |                  |                  |   |                  |
| Interest                                  | 40,000           | 60,949           | 20,949  | 81,259           |
| Rentals                                   | 1,200            | 2,650            | 1,450   | 2,325            |
| Total interest and rentals                | <u>41,200</u>    | <u>63,599</u>    | <u>22,399</u>                                   | <u>83,584</u>    |
| Other:                                    |                  |                  |   |                  |
| Sale of fixed assets                      | 456,000          | 423,324          | (32,676)  | 50,000           |
| Street lighting special assessment        | 96,000           | 120,037          | 24,037  | 110,321          |
| Miscellaneous                             | 10,200           | 13,860           | 3,660   | 16,566           |
| Total other                               | <u>562,200</u>   | <u>557,221</u>   | <u>(4,979)</u>                                  | <u>176,887</u>   |
| Total revenues                            | <u>2,549,700</u> | <u>2,674,702</u> | <u>125,002</u>                                  | <u>2,434,817</u> |

**Township of Byron****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND****BALANCE - BUDGET AND ACTUAL - General Fund (Continued)**

Year ended March 31, 2004

|                                     | <u>2004</u>   |               |   | <u>2003</u>   |
|-------------------------------------|---------------|---------------|---|---------------|
|                                     | <u>Budget</u> | <u>Actual</u> | <u>Variance<br/>favorable<br/>(unfavorable)</u> | <u>Actual</u> |
| EXPENDITURES:                       |               |               |   |               |
| Legislative - Board of Trustees     | \$ 18,800     | \$ 18,085     | \$ 715  | \$ 18,295     |
| General government:                 |               |               |   |               |
| Supervisor                          | 55,450        | 54,255        | 1,195   | 51,304        |
| Elections                           | 12,600        | 173           | 12,427  | 18,317        |
| Assessor                            | 77,500        | 68,982        | 8,518   | 77,070        |
| Professional services               | 93,000        | 79,547        | 13,453  | 85,612        |
| Clerk                               | 79,300        | 74,356        | 4,944   | 78,060        |
| Treasurer                           | 79,200        | 67,497        | 11,703  | 59,508        |
| Hall and grounds                    | 97,700        | 91,349        | 6,351   | 93,118        |
| Cemeteries                          | 33,400        | 29,289        | 4,111   | 31,799        |
| Administration                      | 485,300       | 417,334       | 67,966  | 418,567       |
| Total general government            | 1,013,450     | 882,782       | 130,668   | 913,355       |
| Public safety - Hydrant rental      | 8,600         | 9,410         | (810)   | 8,910         |
| Public works:                       |               |               |   |               |
| Highways and streets                | 332,000       | 6,745         | 325,255   | 285,646       |
| Street lighting                     | 82,000        | 91,648        | (9,648)   | 84,644        |
| Drain maintenance                   | 68,000        | 68,064        | (64)  | 69,403        |
| Sidewalk improvements               | 15,000        | -             | 15,000  | -             |
| Total public works                  | 497,000       | 166,457       | 330,543   | 439,693       |
| Community and economic development: |               |               |   |               |
| Planning and zoning                 | 78,600        | 41,153        | 37,447  | 35,822        |
| Recreation and cultural:            |               |               |   |               |
| Parks                               | 99,000        | 95,052        | 3,948   | 65,220        |
| Recreation                          | 125,400       | 120,024       | 5,376   | 101,304       |
| Library                             | 24,000        | 33,848        | (9,848)   | 28,331        |
| Total recreation and cultural       | 248,400       | 248,924       | (524)   | 194,855       |

**Township of Byron**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - General Fund (Continued)**

Year ended March 31, 2004

|   | <u>2004</u>         |                     |   | <u>2003</u>         |
|---|---------------------|---------------------|---|---------------------|
|   | <u>Budget</u>       | <u>Actual</u>       | <u>Variance<br/>favorable<br/>(unfavorable)</u> | <u>Actual</u>       |
| EXPENDITURES (Continued):   |                     |                     |   |                     |
| Capital outlay  | \$ 2,044,000        | \$ 1,908,474        | \$ 135,526                                      | \$ 1,249,555        |
| Total expenditures  | <u>3,908,850</u>    | <u>3,275,285</u>    | <u>633,565</u>                                  | <u>2,860,485</u>    |
| DEFICIENCY OF REVENUES<br>OVER EXPENDITURES                                     | <u>(1,359,150)</u>  | <u>(600,583)</u>    | <u>758,567</u>                                  | <u>(425,668)</u>    |
| OTHER FINANCING SOURCES (USES):   |                     |                     |   |                     |
| Operating transfer in -<br>Improvement Revolving Fund                           | 1,100,000           | 250,000             | (850,000)                                       | 100,000             |
| Operating transfer out -<br>Fire Department Operating and<br>Maintenance Fund   | <u>(100,000)</u>    | <u>(100,000)</u>    | <u>-</u>  | <u>-</u>            |
| Total other financing sources   | <u>1,000,000</u>    | <u>150,000</u>      | <u>(850,000)</u>                                | <u>100,000</u>      |
| DEFICIENCY OF REVENUES<br>AND OTHER SOURCES OVER<br>EXPENDITURES AND OTHER USES | <u>(359,150)</u>    | <u>(450,583)</u>    | <u>(91,433)</u>                                 | <u>(325,668)</u>    |
| FUND BALANCE - BEGINNING OF YEAR  | <u>3,439,160</u>    | <u>3,439,160</u>    | <u>-</u>  | <u>3,764,828</u>    |
| FUND BALANCE - END OF YEAR  | <u>\$ 3,080,010</u> | <u>\$ 2,988,577</u> | <u>\$ (91,433)</u>                              | <u>\$ 3,439,160</u> |

**Township of Byron**  
**COMBINING BALANCE SHEET - special revenue funds**  
March 31, 2004

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|   | <i>Fire<br/>Department<br/>Operation and<br/>Maintenance</i> | <i>Fire<br/>Department<br/>Capital<br/>Outlay</i> |
|---|--|---|
| ASSETS  |  |   |
| Cash  | \$ 416,144   | \$ 566,948  |
| Investments   | -  | -   |
| Taxes receivable  | 8,901  | 4,378   |
| Due from other funds                                    | 13,666   | 4,842   |
| Due from other governmental units                       | <u>22,681</u>  | <u>20,690</u>                                     |
| TOTAL ASSETS  | <u>\$ 461,392</u>  | <u>\$ 596,858</u>                                 |
| LIABILITIES AND FUND BALANCE                            |  |   |
| LIABILITIES:  |  |   |
| Accounts payable and accrued expenditures               | \$ 93,745  | \$ 40,941   |
| Due to other funds                                      |  |   |
| Due to other governmental units                         | <u>-</u>   | <u>-</u>  |
| Total liabilities                                       | <u>93,745</u>  | <u>40,941</u>                                     |
| FUND BALANCE:   |  |   |
| Unreserved:   |  |   |
| Designated for capital asset additions and improvements | -  | 100,000   |
| Undesignated  | <u>367,647</u>   | <u>455,917</u>                                    |
| Total fund balance                                      | <u>367,647</u>   | <u>555,917</u>                                    |
| TOTAL LIABILITIES AND FUND BALANCE                      | <u>\$ 461,392</u>  | <u>\$ 596,858</u>                                 |

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| <i>Law<br/>Enforcement</i> | <i>Public<br/>Improvement</i> | <i>Improvement<br/>Revolving</i> | <i>Totals</i>       |                     |
|----------------------------|-------------------------------|----------------------------------|---------------------|---------------------|
|                            |                               |                                  | <u>2004</u>         | <u>2003</u>         |
| \$ 461,794                 | \$ -                          | \$ -                             | \$ 1,444,886        | \$ 2,313,210        |
| 258,550                    | 488,230                       | 771,876                          | 1,518,656           | 685,327             |
| 8,755                      | -                             | -                                | 22,034              | 20,372              |
| -                          | -                             | -                                | 18,508              | 18,508              |
| <u>11,917</u>              | <u>-</u>                      | <u>-</u>                         | <u>55,288</u>       | <u>55,387</u>       |
| <u>\$ 741,016</u>          | <u>\$ 488,230</u>             | <u>\$ 771,876</u>                | <u>\$ 3,059,372</u> | <u>\$ 3,092,804</u> |
|                            |                               |                                  |                     |                     |
| \$ -                       | \$ -                          | \$ -                             | \$ 134,686          | \$ 72,500           |
| 1,848                      | -                             | -                                | 1,848               | 1,848               |
| <u>25,727</u>              | <u>-</u>                      | <u>-</u>                         | <u>25,727</u>       | <u>92,030</u>       |
| <u>27,575</u>              | <u>-</u>                      | <u>-</u>                         | <u>162,261</u>      | <u>166,378</u>      |
|                            |                               |                                  |                     |                     |
| -                          | -                             | -                                | 100,000             | 1,564,139           |
| <u>713,441</u>             | <u>488,230</u>                | <u>771,876</u>                   | <u>2,797,111</u>    | <u>1,362,287</u>    |
| <u>713,441</u>             | <u>488,230</u>                | <u>771,876</u>                   | <u>2,897,111</u>    | <u>2,926,426</u>    |
| <u>\$ 741,016</u>          | <u>\$ 488,230</u>             | <u>\$ 771,876</u>                | <u>\$ 3,059,372</u> | <u>\$ 3,092,804</u> |

**Township of Byron****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - *special revenue funds****Year ended March 31, 2004*

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|   | <i>Fire<br/>Department<br/>Operation and<br/>Maintenance</i> | <i>Fire<br/>Department<br/>Capital<br/>Outlay</i> |
|---|--|---|
| REVENUES:   |  |   |
| Taxes   | \$ 336,185   | \$ 165,225  |
| State grants  | -  | -   |
| Contributions from local units  | 22,681   | 20,690  |
| Interest  | 3,196  | 5,496   |
| Other   | -  | -   |
|   | <hr/>  | <hr/>   |
| Total revenues  | 362,062  | 191,411   |
|   | <hr/>  | <hr/>   |
| EXPENDITURES:   |  |   |
| Public safety   | 434,902  | -   |
| Capital outlay  | -  | 99,633  |
|   | <hr/>  | <hr/>   |
| Total expenditures  | 434,902  | 99,633  |
|   | <hr/>  | <hr/>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES                                  | (72,840)   | 91,778  |
|   | <hr/>  | <hr/>   |
| OTHER FINANCING SOURCES (USES):   |  |   |
| Operating transfers in  | 100,000  | -   |
| Operating transfers out   | -  | -   |
|   | <hr/>  | <hr/>   |
| Total other financing sources (uses)  | 100,000  | -   |
|   | <hr/>  | <hr/>   |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER<br>SOURCES OVER EXPENDITURES AND OTHER USES | 27,160   | 91,778  |
|   | <hr/>  | <hr/>   |
| FUND BALANCE - BEGINNING OF YEAR  | 340,487  | 464,139   |
|   | <hr/>  | <hr/>   |
| FUND BALANCE - END OF YEAR  | <u>\$ 367,647</u>  | <u>\$ 555,917</u>                                 |

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| <i>Law<br/>Enforcement</i> | <i>Public<br/>Improvement</i> | <i>Improvement<br/>Revolving</i> | <i>Totals</i>       |                     |
|----------------------------|-------------------------------|----------------------------------|---------------------|---------------------|
|                            |                               |                                  | <u>2004</u>         | <u>2003</u>         |
| \$ 330,667                 | \$ -                          | \$ -                             | \$ 832,077          | \$ 769,499          |
| 3,303                      | -                             | -                                | 3,303               | 2,740               |
| -                          | -                             | -                                | 43,371              | 34,479              |
| 10,193                     | 13,087                        | 14,623                           | 46,595              | 68,609              |
| -                          | -                             | -                                | -                   | 25                  |
| <u>344,163</u>             | <u>13,087</u>                 | <u>14,623</u>                    | <u>925,346</u>      | <u>875,352</u>      |
| 270,126                    | -                             | -                                | 705,028             | 841,802             |
| -                          | -                             | -                                | 99,633              | 334,066             |
| <u>270,126</u>             | <u>-</u>                      | <u>-</u>                         | <u>804,661</u>      | <u>1,175,868</u>    |
| <u>74,037</u>              | <u>13,087</u>                 | <u>14,623</u>                    | <u>120,685</u>      | <u>(300,516)</u>    |
| -                          | -                             | -                                | 100,000             | -                   |
| -                          | (250,000)                     | -                                | (250,000)           | (100,000)           |
| -                          | (250,000)                     | -                                | (150,000)           | (100,000)           |
| 74,037                     | (236,913)                     | 14,623                           | (29,315)            | (400,516)           |
| <u>639,404</u>             | <u>725,143</u>                | <u>757,253</u>                   | <u>2,926,426</u>    | <u>3,326,942</u>    |
| <u>\$ 713,441</u>          | <u>\$ 488,230</u>             | <u>\$ 771,876</u>                | <u>\$ 2,897,111</u> | <u>\$ 2,926,426</u> |

**Township of Byron****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - Fire Department Operation  
and Maintenance Fund**

Year ended March 31, 2004

|   | <u>2004</u>       |                   |   | <u>2003</u>       |
|---|-------------------|-------------------|---|-------------------|
|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>favorable<br/>(unfavorable)</u> | <u>Actual</u>     |
| REVENUES:   |                   |                   |   |                   |
| Taxes   | \$ 250,000        | \$ 336,185        | \$ 86,185                                       | \$ 310,077        |
| Contributions from local units  | 30,000            | 22,681            | (7,319)   | 30,183            |
| Interest  | 5,000             | 3,196             | (1,804)   | 7,950             |
| Other   | -                 | -                 | -   | 25                |
| Total revenues  | 285,000           | 362,062           | 77,062  | 348,235           |
| EXPENDITURES:   |                   |                   |   |                   |
| Public safety - fire protection   | <u>508,525</u>    | <u>434,902</u>    | <u>73,623</u>                                   | <u>500,813</u>    |
| DEFICIENCY OF REVENUES<br>OVER EXPENDITURES                               | (223,525)         | (72,840)          | 150,685   | (152,578)         |
| OTHER FINANCING SOURCES:  |                   |                   |   |                   |
| Operating transfer in - General Fund                                      | <u>100,000</u>    | <u>100,000</u>    | <u>-</u>  | <u>-</u>          |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER SOURCES<br>OVER EXPENDITURES | (123,525)         | 27,160            | 150,685   | (152,578)         |
| FUND BALANCE - BEGINNING<br>OF YEAR                                       | <u>340,487</u>    | <u>340,487</u>    | <u>-</u>  | <u>493,065</u>    |
| FUND BALANCE - END OF YEAR  | <u>\$ 216,962</u> | <u>\$ 367,647</u> | <u>\$ 150,685</u>                               | <u>\$ 340,487</u> |

**Township of Byron****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - Fire Department Capital Outlay Fund***Year ended March 31, 2004*

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|   | <u>2004</u>       |                   |   | <u>2003</u>       |
|---|-------------------|-------------------|---|-------------------|
|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>favorable<br/>(unfavorable)</u> | <u>Actual</u>     |
| REVENUES:                               |                   |                   |   |                   |
| Taxes                                   | \$ 120,000        | \$ 165,225        | \$ 45,225                                       | \$ 154,369        |
| Contributions from local units          | 10,000            | 20,690            | 10,690  | 4,296             |
| Interest                                | <u>6,000</u>      | <u>5,496</u>      | <u>(504)</u>                                    | <u>13,508</u>     |
| Total revenues                          | 136,000           | 191,411           | 55,411  | 172,173           |
| EXPENDITURES:                           |                   |                   |   |                   |
| Capital outlay                          | <u>80,000</u>     | <u>99,633</u>     | <u>(19,633)</u>                                 | <u>334,066</u>    |
| EXCESS OF REVENUES<br>OVER EXPENDITURES | 56,000            | 91,778            | 35,778  | (161,893)         |
| FUND BALANCE - BEGINNING<br>OF YEAR     | <u>464,139</u>    | <u>464,139</u>    | <u>-</u>  | <u>626,032</u>    |
| FUND BALANCE - END OF YEAR              | <u>\$ 520,139</u> | <u>\$ 555,917</u> | <u>\$ 35,778</u>                                | <u>\$ 464,139</u> |

**Township of Byron****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL -Law Enforcement Fund***Year ended March 31, 2004*

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|   | <u>2004</u>       |                   |   | <u>2003</u>       |
|---|-------------------|-------------------|---|-------------------|
|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>favorable<br/>(unfavorable)</u> | <u>Actual</u>     |
| REVENUES:   |                   |                   |   |                   |
| Taxes   | \$ 275,000        | \$ 330,667        | \$ 55,667                                       | \$ 305,053        |
| State grants - liquor fees                              | 2,000             | 3,303             | 1,303   | 2,740             |
| Interest  | <u>8,000</u>      | <u>10,193</u>     | <u>2,193</u>                                    | <u>12,816</u>     |
| Total revenues  | 285,000           | 344,163           | 59,163  | 320,609           |
| EXPENDITURES:   |                   |                   |   |                   |
| Public safety - Law enforcement                         | <u>424,000</u>    | <u>270,126</u>    | <u>153,874</u>                                  | <u>340,989</u>    |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER<br>EXPENDITURES | (139,000)         | 74,037            | 213,037   | (20,380)          |
| FUND BALANCE - BEGINNING<br>OF YEAR                     | <u>639,404</u>    | <u>639,404</u>    | <u>-</u>  | <u>659,784</u>    |
| FUND BALANCE - END OF YEAR                              | <u>\$ 500,404</u> | <u>\$ 713,441</u> | <u>\$ 213,037</u>                               | <u>\$ 639,404</u> |

**Township of Byron****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL -Public Improvement Fund***Year ended March 31, 2004*

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|   | <u>2004</u>       |                   |   | <u>2003</u>       |
|---|-------------------|-------------------|---|-------------------|
|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>favorable<br/>(unfavorable)</u> | <u>Actual</u>     |
| REVENUES:   |                   |                   |   |                   |
| Interest  | \$ 10,000         | \$ 13,087         | \$ 3,087  | \$ 17,701         |
| OTHER FINANCING USES:   |                   |                   |   |                   |
| Operating transfer out -<br>General Fund                      | <u>(600,000)</u>  | <u>(250,000)</u>  | <u>350,000</u>                                  | <u>(100,000)</u>  |
| DEFICIENCY OF REVENUES<br>OVER EXPENDITURES AND<br>OTHER USES | (590,000)         | (236,913)         | 353,087   | (82,299)          |
| FUND BALANCE - BEGINNING<br>OF YEAR                           | <u>725,143</u>    | <u>725,143</u>    | <u>-</u>  | <u>807,442</u>    |
| FUND BALANCE - END OF YEAR                                    | <u>\$ 135,143</u> | <u>\$ 488,230</u> | <u>\$ 353,087</u>                               | <u>\$ 725,143</u> |

**Township of Byron****STATEMENT OF REVENUES AND CHANGES IN FUND****BALANCE - BUDGET AND ACTUAL -Improvement Revolving Fund***Year ended March 31, 2004*

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|   | <u>2004</u>       |                   |   | <u>2003</u>       |
|---|-------------------|-------------------|---|-------------------|
|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>favorable<br/>(unfavorable)</u> | <u>Actual</u>     |
| REVENUES:   |                   |                   |   |                   |
| Interest  | \$ 5,000          | \$ 14,623         | \$ 9,623  | \$ 16,634         |
| OTHER FINANCING USES:                                 |                   |                   |   |                   |
| Operating transfer out -<br>General Fund              | <u>(500,000)</u>  | <u>-</u>          | <u>500,000</u>                                  | <u>-</u>          |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER<br>OTHER USES | (495,000)         | 14,623            | 509,623   | 16,634            |
| FUND BALANCE - BEGINNING<br>OF YEAR                   | <u>757,253</u>    | <u>757,253</u>    | <u>-</u>  | <u>740,619</u>    |
| FUND BALANCE - END OF YEAR                            | <u>\$ 262,253</u> | <u>\$ 771,876</u> | <u>\$ 509,623</u>                               | <u>\$ 757,253</u> |

**Township of Byron**  
**COMBINING BALANCE SHEET - enterprise funds**  
March 31, 2004

|   |                          |                          |                       | <i>Totals</i>            |                          |
|---|--------------------------|--------------------------|-----------------------|--------------------------|--------------------------|
|   | <i>Sewer</i>             | <i>Water</i>             | <i>Inspections</i>    | <i>2004</i>              | <i>2003</i>              |
| <b>ASSETS</b>   |                          |                          |                       |                          |                          |
| <b>CURRENT ASSETS:</b>                                  |                          |                          |                       |                          |                          |
| Cash  | \$ 775,198               | \$ 804,056               | \$ -                  | \$ 1,579,254             | \$ 2,616,853             |
| Investments   | 2,238,022                | 2,107,491                | -                     | 4,345,513                | 2,186,520                |
| Accounts receivable                                     | 169,844                  | 168,905                  | -                     | 338,749                  | 352,591                  |
| Special assessments receivable                          |                          |                          | -                     |                          |                          |
| - current portion                                       | 160,000                  | 150,000                  | -                     | 310,000                  | 460,000                  |
| Due from other funds                                    | -                        | -                        | 350,473               | 350,473                  | 273,679                  |
| Due from other governmental units                       | -                        | 181,363                  | -                     | 181,363                  | 316,186                  |
| Total current assets                                    | <u>3,343,064</u>         | <u>3,411,815</u>         | <u>350,473</u>        | <u>7,105,352</u>         | <u>6,205,829</u>         |
| <b>OTHER ASSETS:</b>                                    |                          |                          |                       |                          |                          |
| Special assessments receivable (net of current portion) | <u>276,479</u>           | <u>287,823</u>           | <u>-</u>              | <u>564,302</u>           | <u>706,677</u>           |
| <b>FIXED ASSETS:</b>                                    |                          |                          |                       |                          |                          |
| Sewer system  | 40,011,548               | -                        | -                     | 40,011,548               | 37,734,558               |
| Water system  | <u>-</u>                 | <u>24,512,412</u>        | <u>-</u>              | <u>24,512,412</u>        | <u>22,600,780</u>        |
|   | 40,011,548               | 24,512,412               | -                     | 64,523,960               | 60,335,338               |
| Less accumulated depreciation                           | <u>7,655,644</u>         | <u>4,108,009</u>         | <u>-</u>              | <u>11,763,653</u>        | <u>10,591,420</u>        |
| Net fixed assets  | <u>32,355,904</u>        | <u>20,404,403</u>        | <u>-</u>              | <u>52,760,307</u>        | <u>49,743,918</u>        |
| <br><b>TOTAL ASSETS</b>                                 | <br><u>\$ 35,975,447</u> | <br><u>\$ 24,104,041</u> | <br><u>\$ 350,473</u> | <br><u>\$ 60,429,961</u> | <br><u>\$ 56,656,424</u> |

|                                   |               |               |                    | <i>Totals</i> |               |
|-----------------------------------|---------------|---------------|--------------------|---------------|---------------|
|                                   | <i>Sewer</i>  | <i>Water</i>  | <i>Inspections</i> | <i>2004</i>   | <i>2003</i>   |
| LIABILITIES AND FUND EQUITY       |               |               |                    |               |               |
| CURRENT LIABILITIES:              |               |               |                    |               |               |
| Current maturities of             |               |               |                    |               |               |
| long-term debt                    | \$ 30,220     | \$ 75,000     | \$ -               | \$ 105,220    | \$ -          |
| Accounts payable                  | 146,281       | 73,506        | -                  | 219,787       | 463,090       |
| Accrued interest payable          | -             | 23,000        | -                  | 23,000        | -             |
| Due to other governmental unit    | 51,500        | 51,500        | -                  | 103,000       | 103,000       |
|                                   |               |               |                    |               |               |
| Total current liabilities         | 228,001       | 223,006       | -                  | 451,007       | 566,090       |
|                                   |               |               |                    |               |               |
| LONG-TERM DEBT,                   |               |               |                    |               |               |
| less current maturities           | 219,829       | 850,000       | -                  | 1,069,829     | 925,000       |
|                                   |               |               |                    |               |               |
| Total liabilities                 | 447,830       | 1,073,006     | -                  | 1,520,836     | 1,491,090     |
|                                   |               |               |                    |               |               |
| FUND EQUITY:                      |               |               |                    |               |               |
| Contributed capital               | 28,987,251    | 12,799,041    | -                  | 41,786,292    | 41,786,292    |
| Retained earnings:                |               |               |                    |               |               |
| Unreserved:                       |               |               |                    |               |               |
| Designated for debt service       | -             | 176,603       | -                  | 176,603       | 22,227        |
| Undesignated                      | 6,540,366     | 10,055,391    | 350,473            | 16,946,230    | 13,356,815    |
|                                   |               |               |                    |               |               |
| Total retained earnings           | 6,540,366     | 10,231,994    | 350,473            | 17,122,833    | 13,379,042    |
|                                   |               |               |                    |               |               |
| Total fund equity                 | 35,527,617    | 23,031,035    | 350,473            | 58,909,125    | 55,165,334    |
|                                   |               |               |                    |               |               |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 35,975,447 | \$ 24,104,041 | \$ 350,473         | \$ 60,429,961 | \$ 56,656,424 |

**Township of Byron****COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN****RETAINED EARNINGS - *enterprise funds****Year ended March 31, 2004*

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|  | <u>Sewer</u>        | <u>Water</u>         |
|--|---------------------|----------------------|
| OPERATING REVENUES:                      |                     |                      |
| Charges for services:                    |                     |                      |
| Metered sales                            | \$ -                | \$ 849,639           |
| Usage fees                               | 896,099             | -                    |
| Readiness to serve                       | 144,594             | 231,174              |
| Meters                                   | -                   | 68,326               |
| Licenses and permits                     | -                   | -                    |
| Other                                    | <u>52,702</u>       | <u>48,753</u>        |
| Total operating revenues                 | <u>1,093,395</u>    | <u>1,197,892</u>     |
| OPERATING EXPENSES:                      |                     |                      |
| Salaries and fringe benefits             | 47,503              | 48,611               |
| Contracted services:                     |                     |                      |
| Sewage treatment charges                 | 668,163             | -                    |
| Water charges                            | -                   | 542,725              |
| System operation and maintenance         | 125,348             | 221,897              |
| Professional services:                   |                     |                      |
| Engineering                              | 68,947              | 76,119               |
| Legal and audit                          | 6,931               | 10,254               |
| Miscellaneous                            | 64,818              | 49,458               |
| Depreciation                             | <u>772,431</u>      | <u>464,269</u>       |
| Total operating expenses                 | <u>1,754,141</u>    | <u>1,413,333</u>     |
| OPERATING INCOME (LOSS)                  | <u>(660,746)</u>    | <u>(215,441)</u>     |
| NONOPERATING REVENUES (EXPENSES):        |                     |                      |
| Capital contributions                    | 2,029,198           | 1,870,308            |
| Connection fees                          | 336,733             | 283,957              |
| Tax increment financing                  | -                   | 184,807              |
| Interest revenue                         | 28,170              | 40,443               |
| Special assessment interest              | 34,653              | 34,664               |
| Loss on abandonment of fixed assets      | (171,533)           | -                    |
| Interest expense and fiscal charges      | -                   | (50,813)             |
| Refund of capital contributions          | 190,326             | 190,326              |
| Contributions to other governmental unit | <u>(227,949)</u>    | <u>(230,106)</u>     |
| Total nonoperating revenues              | <u>2,219,598</u>    | <u>2,323,586</u>     |
| NET INCOME                               | 1,558,852           | 2,108,145            |
| RETAINED EARNINGS - BEGINNING OF YEAR    | <u>4,981,514</u>    | <u>8,123,849</u>     |
| RETAINED EARNINGS - END OF YEAR          | <u>\$ 6,540,366</u> | <u>\$ 10,231,994</u> |

| <u>Inspections</u> | <u>Totals</u>        |                      |
|--------------------|----------------------|----------------------|
|                    | <u>2004</u>          | <u>2003</u>          |
| \$ -               | \$ 849,639           | \$ 873,417           |
| -                  | 896,099              | 901,031              |
| -                  | 375,768              | 332,657              |
| -                  | 68,326               | 75,159               |
| 305,061            | 305,061              | 350,537              |
| -                  | 101,455              | 73,273               |
| <u>305,061</u>     | <u>2,596,348</u>     | <u>2,606,074</u>     |
| 185,962            | 282,076              | 279,438              |
| -                  | 668,163              | 687,525              |
| -                  | 542,725              | 521,245              |
| -                  | 347,245              | 632,247              |
| 8,334              | 153,400              | 161,440              |
| -                  | 17,185               | 29,004               |
| 33,971             | 148,247              | 58,712               |
| -                  | 1,236,700            | 1,165,646            |
| <u>228,267</u>     | <u>3,395,741</u>     | <u>3,535,257</u>     |
| <u>76,794</u>      | <u>(799,393)</u>     | <u>(929,183)</u>     |
| -                  | 3,899,506            | 11,988,895           |
| -                  | 620,690              | 992,059              |
| -                  | 184,807              | 189,537              |
| -                  | 68,613               | 122,189              |
| -                  | 69,317               | 83,163               |
| -                  | (171,533)            | -                    |
| -                  | (50,813)             | (96,063)             |
| -                  | 380,652              | -                    |
| -                  | (458,055)            | (664,607)            |
| <u>-</u>           | <u>4,543,184</u>     | <u>12,615,173</u>    |
| 76,794             | 3,743,791            | 11,685,990           |
| <u>273,679</u>     | <u>13,379,042</u>    | <u>1,693,052</u>     |
| <u>\$ 350,473</u>  | <u>\$ 17,122,833</u> | <u>\$ 13,379,042</u> |

**Township of Byron****COMBINING STATEMENT OF CASH FLOWS - enterprise funds***Year ended March 31, 2004*

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|   | <u>Sewer</u>       | <u>Water</u>      |
|---|--------------------|-------------------|
| Cash flows from operating activities:                                   |                    |                   |
| Receipts from customers and users                                       | \$ 1,103,873       | \$ 1,201,256      |
| Payments to suppliers   | (940,839)          | (1,016,870)       |
| Payments to employees   | <u>(47,503)</u>    | <u>(48,611)</u>   |
| Net cash provided by operating activities                               | <u>115,531</u>     | <u>135,775</u>    |
| Cash flows from noncapital financing activities -                       |                    |                   |
| Increase in due to other funds  | <u>-</u>           | <u>-</u>          |
| Cash flows from capital and related financing activities:               |                    |                   |
| Collection of special assessment principal                              | 163,308            | 157,278           |
| Collection of special assessment interest                               | 34,653             | 34,664            |
| Connection fees   | 336,733            | 283,957           |
| Tax increment financing   | -                  | 184,807           |
| Capital contributions - customers                                       | 239,198            | 92,097            |
| Acquisition of capital assets   | (458,372)          | (161,632)         |
| Decrease in accounts payable  | -                  | -                 |
| Refund of capital contributions   | 190,326            | 190,326           |
| Contributions to other governmental unit                                | (227,949)          | (230,106)         |
| Principal payments on bonds   | -                  | -                 |
| Interest payments on bonds  | <u>-</u>           | <u>(27,813)</u>   |
| Net cash provided by (used in) capital and related financing activities | <u>277,897</u>     | <u>523,578</u>    |
| Cash flows from investing activities:                                   |                    |                   |
| Net (increase) decrease in investments                                  | (1,511,780)        | (647,213)         |
| Interest received   | <u>28,170</u>      | <u>40,443</u>     |
| Net cash provided by (used in) investing activities                     | <u>(1,483,610)</u> | <u>(606,770)</u>  |
| Net increase (decrease) in cash   | (1,090,182)        | 52,583            |
| Cash - beginning of year  | <u>1,865,380</u>   | <u>751,473</u>    |
| Cash - end of year  | <u>\$ 775,198</u>  | <u>\$ 804,056</u> |

| <u>Inspections</u>  | <u>Totals</u>       |                      |
|---------------------|---------------------|----------------------|
|                     | <u>2004</u>         | <u>2003</u>          |
| \$ 305,061          | \$ 2,610,190        | \$ 2,673,407         |
| (60,762)            | (2,018,471)         | (2,283,804)          |
| <u>(167,505)</u>    | <u>(263,619)</u>    | <u>(216,414)</u>     |
| <br>76,794          | <br>328,100         | <br>173,189          |
| <br><u>(76,794)</u> | <br><u>(76,794)</u> | <br><u>(142,675)</u> |
| <br>-               | 320,586             | 494,623              |
| -                   | 69,317              | 83,163               |
| -                   | 620,690             | 992,059              |
| -                   | 184,807             | 189,537              |
| -                   | 331,295             | -                    |
| -                   | (620,004)           | (1,171,184)          |
| -                   | -                   | (416,794)            |
| -                   | 380,652             | -                    |
| -                   | (458,055)           | (450,000)            |
| -                   | -                   | (200,000)            |
| <u>-</u>            | <u>(27,813)</u>     | <u>(96,063)</u>      |
| <br>-               | <br>801,475         | <br>(574,659)        |
| <br>-               | (2,158,993)         | 2,624,131            |
| <u>-</u>            | <u>68,613</u>       | <u>122,189</u>       |
| <br>-               | <br>(2,090,380)     | <br>2,746,320        |
| <br>-               | (1,037,599)         | 2,202,175            |
| <br>-               | 2,616,853           | 414,678              |
| <u>\$ -</u>         | <u>\$ 1,579,254</u> | <u>\$ 2,616,853</u>  |

**Township of Byron****COMBINING STATEMENT OF CASH FLOWS - enterprise funds***Year ended March 31, 2004*

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|  | <u>Sewer</u>        | <u>Water</u>        |
|--|---------------------|---------------------|
| Reconciliation of operating income (loss) to net cash provided by operating activities:        |                     |                     |
| Operating income (loss)  | \$ (660,746)        | \$ (215,441)        |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: |                     |                     |
| Depreciation   | 772,431             | 464,269             |
| Decrease in accounts receivable  | 10,478              | 3,364               |
| (Increase) decrease in due from other governmental units                                       | 134,823             | -                   |
| Increase (decrease) in accounts payable  | <u>(141,455)</u>    | <u>(116,417)</u>    |
| Net cash provided by operating activities  | <u>\$ 115,531</u>   | <u>\$ 135,775</u>   |
| Supplemental schedule of noncash capital and related financing activities:                     |                     |                     |
| Total acquisition and construction of capital assets   | \$ (2,512,990)      | \$ (1,911,632)      |
| Less capital assets contributed by developers  | 1,790,000           | 1,750,000           |
| Increase in contracts payable  | 250,049             | -                   |
| Increase in accounts payable   | <u>14,569</u>       | <u>-</u>            |
| Cash used  | <u>\$ (458,372)</u> | <u>\$ (161,632)</u> |

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| <u>Inspections</u> | <u>Totals</u>       |                       |
|--------------------|---------------------|-----------------------|
|                    | <u>2004</u>         | <u>2003</u>           |
| \$ 76,794          | \$ (799,393)        | \$ (929,183)          |
| -                  | 1,236,700           | 1,165,646             |
| -                  | 13,842              | 67,333                |
| -                  | 134,823             | (257,557)             |
| -                  | <u>(257,872)</u>    | <u>126,950</u>        |
| <u>\$ 76,794</u>   | <u>\$ 328,100</u>   | <u>\$ 173,189</u>     |
|                    |                     |                       |
| \$ -               | \$ (4,424,622)      | \$ (12,961,184)       |
| -                  | 3,540,000           | 11,790,000            |
| -                  | 250,049             | -                     |
| -                  | <u>14,569</u>       | <u>-</u>              |
| <u>\$ -</u>        | <u>\$ (620,004)</u> | <u>\$ (1,171,184)</u> |

**Township of Byron****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -****all agency funds**

Year ended March 31, 2004

|                                 | <i>Balance<br/>April<br/>1, 2003</i> | <i>Additions</i>     | <i>Deductions</i>    | <i>Balance<br/>March<br/>31, 2004</i> |
|---------------------------------|--------------------------------------|----------------------|----------------------|---------------------------------------|
| <b>AGENCY FUND</b>              |                                      |                      |                      |                                       |
| <b>ASSETS</b>                   |                                      |                      |                      |                                       |
| Cash                            | <u>\$ 63,774</u>                     | <u>\$ 225,422</u>    | <u>\$ 191,895</u>    | <u>\$ 97,301</u>                      |
| <b>LIABILITIES</b>              |                                      |                      |                      |                                       |
| Due to other funds              | \$ -                                 | \$ 28,823            | \$ 28,823            | -                                     |
| Due to other governmental units | 5,846                                | 106,179              | 112,025              | -                                     |
| Due to others                   | <u>57,928</u>                        | <u>90,420</u>        | <u>51,047</u>        | <u>97,301</u>                         |
| <b>TOTAL LIABILITIES</b>        | <u>\$ 63,774</u>                     | <u>\$ 225,422</u>    | <u>\$ 191,895</u>    | <u>\$ 97,301</u>                      |
| <b>TAX COLLECTION FUND</b>      |                                      |                      |                      |                                       |
| <b>ASSETS</b>                   |                                      |                      |                      |                                       |
| Cash                            | <u>\$ 22,655</u>                     | <u>\$ 20,903,161</u> | <u>\$ 20,919,155</u> | <u>\$ 6,661</u>                       |
| <b>LIABILITIES</b>              |                                      |                      |                      |                                       |
| Due to other funds              | \$ 22,655                            | \$ 1,645,253         | \$ 1,661,247         | 6,661                                 |
| Due to other governmental units | -                                    | 19,154,168           | 19,154,168           | -                                     |
| Due to others                   | <u>-</u>                             | <u>103,740</u>       | <u>103,740</u>       | <u>-</u>                              |
| <b>TOTAL LIABILITIES</b>        | <u>\$ 22,655</u>                     | <u>\$ 20,903,161</u> | <u>\$ 20,919,155</u> | <u>\$ 6,661</u>                       |
| <b>TOTAL - ALL AGENCY FUNDS</b> |                                      |                      |                      |                                       |
| <b>ASSETS</b>                   |                                      |                      |                      |                                       |
| Cash                            | <u>\$ 86,429</u>                     | <u>\$ 21,128,583</u> | <u>\$ 21,111,050</u> | <u>\$ 103,962</u>                     |
| <b>LIABILITIES</b>              |                                      |                      |                      |                                       |
| Due to other funds              | \$ 22,655                            | \$ 1,674,076         | \$ 1,690,070         | \$ 6,661                              |
| Due to other governmental units | 5,846                                | 19,260,347           | 19,266,193           | -                                     |
| Due to others                   | <u>57,928</u>                        | <u>194,160</u>       | <u>154,787</u>       | <u>97,301</u>                         |
| <b>TOTAL LIABILITIES</b>        | <u>\$ 86,429</u>                     | <u>\$ 21,128,583</u> | <u>\$ 21,111,050</u> | <u>\$ 103,962</u>                     |

## **SUPPLEMENTARY DATA**

***Township of Byron***

**SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -**

***\$1,385,000 1992 local development finance authority tax increment bonds***

*March 31, 2004*

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| <i>Fiscal<br/>period</i> | <i>Interest<br/>rate</i> | <i>Interest requirement</i> |                   | <i>Maturity<br/>date</i> | <i>Principal</i>  | <i>Total<br/>requirements</i> |
|--------------------------|--------------------------|-----------------------------|-------------------|--------------------------|-------------------|-------------------------------|
|                          |                          | <i>May 1</i>                | <i>November 1</i> |                          |                   |                               |
| 2005                     | 5.60                     | \$ 27,363                   | \$ 25,262         | 5/01/04                  | \$ 75,000         | \$ 127,625                    |
| 2006                     | 5.70                     | 25,262                      | 23,125            | 5/01/05                  | 75,000            | 123,387                       |
| 2007                     | 5.80                     | 23,125                      | 20,950            | 5/01/06                  | 75,000            | 119,075                       |
| 2008                     | 5.90                     | 20,950                      | 18,000            | 5/01/07                  | 100,000           | 138,950                       |
| 2009                     | 6.00                     | 18,000                      | 15,000            | 5/01/08                  | 100,000           | 133,000                       |
| 2010                     | 6.00                     | 15,000                      | 9,000             | 5/01/09                  | 200,000           | 224,000                       |
| 2011                     | 6.00                     | 9,000                       | 3,000             | 5/01/10                  | 200,000           | 212,000                       |
| 2012                     | 6.00                     | 3,000                       | -                 | 5/01/11                  | 100,000           | 103,000                       |
|                          |                          | <u>\$ 141,700</u>           | <u>\$ 114,337</u> |                          | <u>\$ 925,000</u> | <u>\$ 1,181,037</u>           |